



TIPSS-2 NEWS & TIDBITS

Volume 1, Issue 2
October 2002

New Contract Award Process

As explained at the July 2002 Quarterly COTR Forum, the Request for Task Response (RTR) process replaced the Request for Information (RFI) process. A copy of the proposed process was distributed to all COTRs, LCOTRs and COs in attendance. Copies of the presentations from the forum are available on the TIPSS-2 web site.

The Requirements Development Team of the TIPSS Office will introduce this process to you when you submit your requirement for award. This process is being implemented due to huge budget cuts, which make the cost of our contracts more and more important. The TIPSS Office is streamlining the award process, decreasing the number of undefinitized task orders, and ensuring that cost is a factor in every requirement. Using our new procedures, the customer submits a Statement of Work (SOW), which is transmitted to the Contractor in the form of a RTR. Although it may not be a substantial factor, cost will be an evaluation factor in each RTR. The Contractor responds (usually within 5 days) with project profiles, references, and their estimate of how many hours and which labor categories they anticipate using to complete the customer's requirement. Procurement then applies contract-specific rate information in order to calculate an estimate of labor hour costs by contractor. The customer is given each contractor's technical approach and cost estimate to help make a determination of the "best" contractor.

We are confident these new procedures will help our customers reduce costs when using the TIPSS contracts. Any questions regarding the new procedures should be addressed to the Requirements Analysts. If you would like a copy of the new procedures, contact the TIPSS Hotline at (202) 283-1110.

For TIPSS-2 Solutions, call 202-283-1110

E-Mail: tipss@irs.gov

Intranet/Internet: <http://tipss.web.irs.gov>

TIPSS-2 COTR Reminders

The TIPSS Program Office would like to remind COTRs about information that must be sent to the CO and/or Lead COTR for each task order.

- Within 10 days of receipt of vouchers, sign and forward original signature copies to the CO. Any discrepancies should be submitted as a separate attachment to the voucher via email.
- For term tasks, develop one or more work requests before the contractor is to begin work and forward the work request(s) to the LCOTR and CO with COTR signatures. Remember, the work request(s) must not exceed the hours stated in the task order and must not exceed actual funds obligated.
- Review the contractor's monthly status report and FAX or e-mail any discrepancies to the CO and LCOTR. The monthly status report is a good tool to use to validate your vouchers.
- Forward a copy of the Inspection, Acceptance and Receiving Report to the CO and LCOTR upon receipt and acceptance/rejection of a deliverable. If rejection of a deliverable is anticipated, please contact the CO and LCOTR immediately. COTRs can accept deliverables with discrepancies, but deficiencies should be documented on the Inspection, Acceptance and Receiving Report.
- COTRs are responsible for maintaining a list of serial numbers for all Government Furnished Equipment (GFE) as well as maintaining a Government Furnished Information (GFI) master list for each task. A copy of each list should be faxed or e-mailed to the LCOTR upon completion of the list and whenever any changes are made to the list for the duration of the task order.

If you have any questions, please contact your LCOTR or call the TIPSS-2 Hotline at (202) 283-1110.



What is Performance-Based Contracting?

The Office of Federal Procurement Policy (OFPP) defines Performance-Based Service Contracting (PBSC) as an approach where the Statement of Work (SOW) is based on objective, measurable performance standards which include quality, quantity, and stringent timelines. The SOW will now become a Statement of Objectives (SOO). OFPP has experimented with PBSC and discovered such benefits as reduced cost, increased customer satisfaction, and a decrease in financial audits. There are several other advantages of issuing a PBSC, such as eliminating detailed process descriptions in SOWs, reducing the number of inspections, focusing both parties on end results, and rewarding contractor performance.

In light of the success of the OFPP experiment, the Office of Management and Budget (OMB) established a goal of making 30 percent of all eligible federal service contract dollars over \$25,000 performance-based during FY 2003. TIPSS-2 is one of the largest Information Technology (IT) support services contracts under Treasury. We are working diligently to incorporate PBSC requirements into our task order award process in order to make these benefits available to you.

How does PBSC fit into TIPSS-2? TIPSS-2 is an Information Technology Support Services Contract, which allows task order conversion to Performance-Based with a minimum amount of work on your part. If your task order contains the essential requirements of a PBSC it can be considered as a candidate for conversion. The OFPP minimum requirements for Performance-Based Contracting are as follows:

- **Performance Requirements** that define in measurable terms the work to be accomplished or the services to be provided;
- **Performance Standards** that define the allowable deviation, if any, from the performance requirements; and
- A **Quality Assurance Plan** that specifies the means by which contractor performance will be determined and documented.

If you have an existing task order that may fit the PBSC requirements and you would like to submit your task order for possible conversion, please contact your LCOTR. If you have new requirements for a possible PBSC task order, please contact the TIPSS-2 Hotline at 202-283-1110. For additional information on PBSC, please visit the following website: <http://oamweb.osec.doc.gov/pbsc/home.html> or call your LCOTR.

TIPSS-2 Upcoming Events

Beginning COTR Forum

Date: November 13, 2002
 Time: 8:30 – 11:45
 Place: NCFB, Room B1-303
 Contact: John Andersen, 202-283-6935

COTR Forum

Date: December 4, 2002
 Time: 8:30 – 11:45
 Place: NCFB Auditorium
 Contact: TIPSS-2 Hotline, 202-283-1110

TIPSS-2 NEWS & TIDBITS is published by the TIPSS-2 Program Office, a partnership of acquisition professionals and Contracting Officers.

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Modification – Within Scope or Outside of Scope?

A modification is a change in the terms and conditions of a contract or task order. There are two types of modification agreements: bilateral and unilateral. Contractors and government officials sign a bilateral modification, also known as a supplemental agreement. This type of modification may be used to make an equitable adjustment resulting from the issuance of a change order, to definitize letter contracts, and to reflect other mutual agreements. A unilateral modification is only signed by the government Contracting Officer. This type of modification may be used to make administrative changes and to make changes authorized by certain clauses (e.g., exercising an option).

The documents required to initiate a modification vary. If the desired change falls within the general scope of the existing task order, the modification process is fairly simple. On the other hand, if the change falls outside the general scope of the existing task order, the documentation requirements are sometimes extensive, and may approximate what was initially required to establish the original task order.

Which task order changes are considered outside of scope? As a general rule of thumb, under the TIPSS-2 contract, increasing the labor hours by more than 15%, changing the period of performance, adding labor categories, adding subtasks, and adding deliverables are all examples of out of scope changes.

If a change is considered within scope, the process requires only a few working days. The contractor is not permitted to take any action on any type of scope change until notified in writing by a Contracting Officer, usually via a signed modification.

Here's an example of the steps taken for an outside of scope modification:

- The Lead COTR forwards the revised SOW, IGCE and a requisition (where applicable) to the CO.
- The CO may request a revised proposal from the contractor.
- The COTR may provide an updated technical evaluation of the new proposal.
- Negotiations may be held between the contractor and the CO, with assistance from the COTR and the Lead COTR.
- Once an agreement is reached between the CO and the contractor, the CO prepares the required file documentation and task order modification, obtains the contractor's signature, and finally executes the modification.

For additional information about modifications, please contact your CO, Lead COTR or the TIPSS-2 Hotline at (202) 283-1110.

TIPSS-2 Points of Contact

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Department of the Treasury
Internal Revenue Service

Document 11830 (10/2002)
Catalog Number 34223D